

Message Text

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PAGE 01 GENEVA 01197 211819Z

62

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CU-02 STR-01 EB-07 COME-00

CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01 TRSE-00

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TO SECSTATE WASHDC 891

INFO USMISSION NATO BRUSSELS

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E.O. 11652: NA

TAGS: CSCE, PFOR, EGEN, EEWT

SUBJECT: CSCE: COMMERCIAL EXCHANGES

REF: STATE 29371

1. A WORKING GROUP SET UP BY NATO CAUCUS HAS TAKEN UP US
PREPOSALS IN REFTEL. WITH RESPECT TO PARA ONE OF REFTEL,
OTHER NATO COUNTRIES POINTED OUT THAT CLAUSE RELATING TO
RECIPROCITY SHOULD BE VIEWED IN CONJUNCTION WITH NEXT
CLAUSE WHICH READS: "RECOGNIZE IN THISSPIRIT THE BENE-
FICIAL EFFECTS WHICH CAN RESULT FROM THE APPLICATION OF
MOST-FAVORED-NATION TREATMENT THROUGH BILATERAL AND MULTI-
LATERAL AGREEMENTS."PURPOSE OF LANGUAGE IS TO MAKE PLAIN
MFN MUST BE SUBJECT OF FULL RECIPROCITY WHICH SHOULD BE
DIFINED IN INDIVIDUAL TRADE AGREEMENTS.SINCE IT IS
NOT CUSTOMARY FOR TRADE AGREEMENTS TO DEAL WITH INTERESTS
OF OUTSIDE PARTIES, OTHER NATO MEMBERS CONSIDER EXPRESSION
"PARTIES CONCERNED" APPROPRIATE IN THIS CONTEXT. COMMENT:
A PRIMARY OBJECTIVE IN THIS RESOLUTION IS TO ESTABLISH
STRONGEST POSSIBLE LINK BETWEEN MFN AND OVERALL RECIP-
ROCITY, AND TO ASSERT THAT THIS LINE SHOULD BE MADE IN
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PAGE 02 GENEVA 01197 211819Z

TRADE AGREEMENTS. DELETION OF "PARTIES CONCERNED"

WOULD SEEM TO BLUNT THIS POINT. USDEL ACCORDINGLY RECOMMENDS ACCEPTANCE THIS PHRASEOLOGY.

2. RE PARA 2, REFTTEL, TENTATIVE AGREEMENT WAS REACHED IN SUBCOMMITTEE IN EARLY DECEMBER ON EXPRESSION "WILL TAKE INTO ACCOUNT". WHILE OTHER NATO COUNTRIES HAVE NO OBJECTION TO "BEAR IN MIND", THEY FEAR RE-OPENING THIS TEXT WHICH SUBJECT OF MANY HOURS OF NEGOTIATIONS WOULD BE FUTILE SINCE SOVIETS, OTHER EES AND SOME WESTERN COUNTRIES SUCH AS SPAIN, WOULD BE MOST RESISTANT TO SUBSTITUTION. IN OUR OPINION THESE PHRASES HAVE BEEN REGARDED AS ROUGHLY EQUIVALENT IN OTHER CSCE CONTEXTS. FOR EXAMPLE, SEE PARAGRAPH 26 AND 27 OF HELSINKI RECOMMENDATIONS, WHERE IN FRENCH VERSION, NO DISTINCTION IS MADE.

3. RE SAFEGUARDS LANGUAGE PROPOSED IN PARA 4 OF REFTTEL, OTHER NATO COUNTRIES HAD TWO CONCERNS; (A) THEY FEEL A GOOD CHANCE EXISTS EAST WILL ACCEPT LANGUAGE SIMILAR TO TEXTS PRESENTLY BEING DISCUSSED, BUT ADDITION OF WORDS REFLECTING US TRADE ACT AND US-USSR TRADE AGREEMENT WOULD BE REJECTED BY EAST; (B) SINCE TEXT ALSO APPLIES TO WEST-WEST TRADE, THEY WERE CONCERNED OVER POSSIBLE EXTENSION OF MARKET DISRUPTION CONCEPT. TURKEY IN PARTICULAR HAD INSTRUCTIONS TO OPPOSE US LANGUAGE NOTING ITS USE IN TEXTILE ELTA. TO SOME EXTENT WE WERE ABLE TO CONVINCE THEM THAT (B) WAS NOT A VALID POINT. WHILE OTHER NATO COUNTRIES REMAIN HIGHLY SKEPTICAL OF INTRODUCING "MARKET DISRUPTION" INTO TEXT, THEY SUGGESTED THAT IT WOULD BE USEFUL FOR US TO DISCUSS ISSUE PRIVATELY WITH SOVIETS. WAS ALSO AGREED THAT ONE ALTERNATIVE TO MENTIONING BOTH "SERIOUS INJURY" AND "MARKET DISRUPTION" MIGHT BE ANOTHER EXPRESSION COVERING THE ISSUE IN LESS EXPLICIT WAY. WE SUGGESTED FOLLOWING LANGUAGE TO WORKING GROUP BUT DO NOT YET HAVE REACTION: "WILL ENDEAVOR TO ENSURE THAT THEIR TRADE IN THE VARIOUS PRODUCTS IS NOT CONDUCTED IN SUCH A WAY AS TO CREATE HARMFUL CONSEQUENCES FOR DOMESTIC MARKETS FOR THESE PRODUCTS, AND NOTABLY TO DOMESTIC PRODUCERS OF SIMILAR OR DIRECTLY COMPETING PRODUCTS." OTHER POSSIBILITY MIGHT LIMITED OFFICIAL USE

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PAGE 03 GENEVA 01197 211819Z

BE "DELETERIOUS EFFECTS."

4. ACTION REQUESTED: SINCE WE SCHEDULED TO MEET WITH SOVIETS TUESDAY MORNING FEB 25, REQUEST ANY GUIDANCE RE FOREGOING BY OPENING OF BUSINESS FEB 25. DALE

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